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Tim W Hayes 03/02/2007 04:03:48 PM From DB/Inbox: Tim W Hayes

Cable
Text:

S E C R E T ANKARA 00382

SIPDIS
CX:

ACTION: ECON
INFO: AMB CONS PA RAO FAS MGT PMA FCS POL DCM

DISSEMINATION: ECON /1
CHARGE: PROG

APPROVED: AMB:RWILSON
DRAFTED: ECON:ASNOW
CLEARED: ECON:TGOLDBERGER, DCM:NMCELDOWNEY, PMA:CRICH

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OO RUEHC RUCNIRA RUEHIT RUEATRS
DE RUEHAK #0382/01 0531214
ZNY SSSSS ZZH
O 221214Z FEB 07
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1051
INFO RUCNIRA/IRAN COLLECTIVE
RUEHIT/AMCONSUL ISTANBUL 2177
RUEATRS/DEPT OF TREASURY WASHDC

S E C R E T SECTION 01 OF 02 ANKARA 000382

SIPDIS

SIPDIS

TREASURY FOR OTI RLOEFFLER

E.O. 12958: DECL: 02/22/2017
TAGS: [KNNP](#) [KTFN](#) [EFIN](#) [TU](#) [IR](#)
SUBJECT: U/S JOSEPH ASKS TURKISH FINANCE MINISTER FOR
COOPERATION AGAINST IRAN

REF: A. ANKARA 324
[1](#)B. ANKARA 183
[1](#)C. ANKARA 131

Classified By: Ambassador Ross Wilson for reasons 1.4(b) and (d).

[1](#)1. (C) Summary: U/S Joseph briefed Turkish Finance Minister Unakitan on the nuclear threat from Iran and sought Turkish support in taking financial measures against Iran, with specific reference both to export credits and sanctions on entities controlled by AIO and IRGC. Unakitan seemed concerned about the implications of a nuclear Iran but was non-committal and deferred to the Foreign Ministry. He said Turkey did not provide financing to Iran. End Summary.

The Global Initiative to Combat Nuclear Terrorism

[1](#)2. (C) U/S Robert Joseph, ISN A/S John Rood and Ambassador Wilson met Finance Minister Kemal Unakitan February 12 on the margins of the Global Initiative to Combat Nuclear Terrorism (GI) meetings. Genc Osman Yarasli, President of MASAK, Turkey's financial intelligence unit and Finance Ministry Under Secretary Hasan Basri Aktan also participated. U/S Joseph briefed Unakitan on the GI, specifying that one issue under the GI is the use of financial tools to disrupt terrorist acquisition of nuclear materials. He explained that the effort builds on the experience of using financial measures against terrorism and targets individuals who would seek nuclear weapons for

terrorism. Joseph said the U.S. looked forward to working with Turkey to "sharpen these instruments" so we can better counter nuclear terrorism.

Using Financial Measures Against Iran

¶3. (C) Joseph expressed U.S. interest in working with Turkey to improve the prospects for diplomacy to succeed with North Korea and Iran through the use of financial measures. Having found financial measures to be effective with North Korea, the U.S. believes the same will be true for Iran. He said there may be a second UN resolution on Iran because Iran continues to defy the international community. The U.S. is working with friends to make sure Iran understands that it will not be successful in using the international financial system to further its proliferation. Joseph said the internal debate in Iran results in part from the UN resolution and the international community can best put pressure on Iran through financial measures.

Targeting Specific Entities

¶4. (C) U/S Joseph explained the utility of targeting specific entities, particularly the AIO and the IRGC. Noting that the head of the IRGC is listed by UNSC Resolution 1737, he said the U.S. believes that, if the head of an organization is listed, the organization he controls should be listed as well. Moreover, with several members of the government having backgrounds in the IRGC, it is especially important to target this organization. Ambassador Wilson alerted Unakitan that Turkey would be receiving a U.S. demarche on targeting these entities (ref a), at which point MASAK President Yarasli said Turkey had already been informed by the UN.

Finance to Iran

¶5. (C) U/S Joseph also raised cutting off credit or export subsidies to Iran. Unakitan said that, unlike wealthier countries, Turkey does not provide financing to Iran and that Iran exports far more to Turkey than Turkey exports to Iran. Note: Turkey's export credit agency does provide finance to Iran (ref c), a fact Unakitan may not have been aware of because the export credit agency is not under his responsibility. Nevertheless, Turkish credit to Iran is miniscule compared to other OECD countries. End Note. U/S Joseph said it was just an example of actions countries could take and sought Turkish ideas on financial measures that could work. Unakitan said his Ministry needed to confer with the Foreign Ministry and that he could not say anything at this stage. U/S Joseph acknowledged the interagency process but hoped Turkey could be creative and come up with useful measures.

Briefing on the Iranian Nuclear Threat

¶6. (S) U/S Joseph explained that the threat of Iran acquiring nuclear weapons was not abstract. Unakitan agreed it was dangerous for the entire region and asked what the time frame was. Joseph said intelligence analysts assess that it might take about 3-5 years for Iran to possess a nuclear weapon but he is focused on when Iran will reach the point of no return. Once Iran can sustain cascades of centrifuges, they will be outside the view of the IAEA and, likely, intelligence detection. He believed Iran may be able to sustain operation of the cascades within months. When Unakitan

asked about North Korea, Joseph differentiated between Iran and North Korea, saying Iran was more complex and dangerous, and had access to substantial financial and technical resources. In concluding the meeting, Unakitan thanked Joseph for this "very important information" but again referred to the Foreign Ministry and did not offer any insight on the Turkish position.

U/S Joseph cleared this cable.

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<http://www.state.sgov.gov/p/eur/ankara/>

WILSON